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RECEIVED

April 21, 2005

APR 21 2005

Federal Communications Commission  
Office of Secretary

Marlene H. Dortch  
Secretary  
Federal Communications Commission  
445 Twelfth Street, S.W.  
Washington, D.C. 20554

Re: Telecommunications Relay Services and Speech-to-Speech  
Services for Individuals with Hearing and Speech Disabilities  
CC Docket No. 98-67 and CG Docket No. 03-123  
Notice of Ex Parte Communication

Dear Ms. Dortch:

The purpose of this letter is to report that on April 20, 2005, James Sorenson, Jr., Chief Executive Officer of Sorenson Media, Inc. ("Sorenson"), and other representatives of Sorenson met with Monica Desai, Legal Advisor to Chairman Kevin Martin, and Emily Willeford, Special Assistant to Chairman Martin, concerning the above-referenced proceeding and issues concerning Video Relay Service ("VRS") providers. The other Sorenson representatives present include Pat Nola, Chief Operating Officer, Dave Johnson, Vice President of Sales, Chris Wakeland, Vice President of Interpreting, Jon Hodson, National VRS Outreach Director, Sue Decker, Regulatory and Outreach Consultant, Michael Maddix, VRS Product Manager, and David Parkinson, Director of Public Relations. Also present during a portion of the meeting was Roger Livingston, Senior Counsel to Senator Orrin Hatch.

During the meeting, the representatives from Sorenson discussed the consumer's ability to choose a VRS provider, Sorenson's progress toward improving speed of answer, the shortage of available interpreters, the various methods of contacting other videophone users, and the development of improved VRS technologies. The representatives of Sorenson provided the participants a summary of Sorenson's position on these issues along with a visual representation (attached) and the following filings, that are a part of the public record in the above referenced proceeding and related proceedings (links provided):

Marlene H. Dortch  
April 21, 2005  
Page 2

1. Comments of University of Minnesota:  
[http://gulfoss2.fcc.gov/prod/ecfs/retrieve.cgi?native\\_or\\_pdf=pdf&id\\_document=6517384125](http://gulfoss2.fcc.gov/prod/ecfs/retrieve.cgi?native_or_pdf=pdf&id_document=6517384125)
2. Comments of Arizona Commission for the Deaf and the Hard of Hearing, Nov. 5, 2004:  
[http://gulfoss2.fcc.gov/prod/ecfs/retrieve.cgi?native\\_or\\_pdf=pdf&id\\_document=6516882034](http://gulfoss2.fcc.gov/prod/ecfs/retrieve.cgi?native_or_pdf=pdf&id_document=6516882034)
3. Comments of Registry of Interpreters for the Deaf, April 7, 2005:  
[http://gulfoss2.fcc.gov/prod/ecfs/retrieve.cgi?native\\_or\\_pdf=pdf&id\\_document=6517509992](http://gulfoss2.fcc.gov/prod/ecfs/retrieve.cgi?native_or_pdf=pdf&id_document=6517509992)
4. Comments of Utah State Office of Rehabilitation:  
[http://gulfoss2.fcc.gov/prod/ecfs/retrieve.cgi?native\\_or\\_pdf=pdf&id\\_document=6517507587](http://gulfoss2.fcc.gov/prod/ecfs/retrieve.cgi?native_or_pdf=pdf&id_document=6517507587)
5. Comments of Gallaudet Interpreting Services:  
[http://gulfoss2.fcc.gov/prod/ecfs/retrieve.cgi?native\\_or\\_pdf=pdf&id\\_document=6517419386](http://gulfoss2.fcc.gov/prod/ecfs/retrieve.cgi?native_or_pdf=pdf&id_document=6517419386)
6. Comments of Arizona Commission for the Deaf and the Hard of Hearing:  
[http://gulfoss2.fcc.gov/prod/ecfs/retrieve.cgi?native\\_or\\_pdf=pdf&id\\_document=6517419265](http://gulfoss2.fcc.gov/prod/ecfs/retrieve.cgi?native_or_pdf=pdf&id_document=6517419265)
7. Comments of Diana Herron:  
[http://gulfoss2.fcc.gov/prod/ecfs/retrieve.cgi?native\\_or\\_pdf=pdf&id\\_document=6517405205](http://gulfoss2.fcc.gov/prod/ecfs/retrieve.cgi?native_or_pdf=pdf&id_document=6517405205)
8. Comments of David Zeplin:  
[http://gulfoss2.fcc.gov/prod/ecfs/retrieve.cgi?native\\_or\\_pdf=pdf&id\\_document=6517309070](http://gulfoss2.fcc.gov/prod/ecfs/retrieve.cgi?native_or_pdf=pdf&id_document=6517309070)
9. Comments of Registry of Interpreters for the Deaf:  
[http://gulfoss2.fcc.gov/prod/ecfs/retrieve.cgi?native\\_or\\_pdf=pdf&id\\_document=6517288324](http://gulfoss2.fcc.gov/prod/ecfs/retrieve.cgi?native_or_pdf=pdf&id_document=6517288324)
10. Sorenson Comments on Vonage Memorandum Opinion and Order filed November 15, 2004:  
[http://gulfoss2.fcc.gov/prod/ecfs/retrieve.cgi?native\\_or\\_pdf=pdf&id\\_document=6516882061](http://gulfoss2.fcc.gov/prod/ecfs/retrieve.cgi?native_or_pdf=pdf&id_document=6516882061)
11. Sorenson Comments on Interoperability Petition filed April 15, 2005:  
[http://gulfoss2.fcc.gov/prod/ecfs/retrieve.cgi?native\\_or\\_pdf=pdf&id\\_document=6517520003](http://gulfoss2.fcc.gov/prod/ecfs/retrieve.cgi?native_or_pdf=pdf&id_document=6517520003)
12. Sorenson Comments on Speed of Answer filed February 25, 2005:  
[http://gulfoss2.fcc.gov/prod/ecfs/retrieve.cgi?native\\_or\\_pdf=pdf&id\\_document=6517383007](http://gulfoss2.fcc.gov/prod/ecfs/retrieve.cgi?native_or_pdf=pdf&id_document=6517383007)
13. Sorenson Comments on Further Notice of Proposed Rulemaking filed October 18, 2004:  
[http://gulfoss2.fcc.gov/prod/ecfs/retrieve.cgi?native\\_or\\_pdf=pdf&id\\_document=6516742787](http://gulfoss2.fcc.gov/prod/ecfs/retrieve.cgi?native_or_pdf=pdf&id_document=6516742787)
14. FCC Vonage Memorandum Opinion and Order released November 12, 2004:  
[http://hraunfoss.fcc.gov/edocs\\_public/attachmatch/FCC-04-267A1.pdf](http://hraunfoss.fcc.gov/edocs_public/attachmatch/FCC-04-267A1.pdf)

Pursuant to Section 1.1206 of the Commission's rules, an original<sup>1</sup> and three copies of this letter are being submitted to your office and copies of this letter are being sent to the participants.

Should you have any questions regarding this filing, please contact me.

Sincerely,



Sharon M. Bertelsen

cc: Monica Desai  
Emily Willeford  
Roger Livingston

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<sup>1</sup> The letter with the original signature will be submitted to the Commission on April 22, 2005.

**Exparte Presentation to:**

**Monica Desai, legal advisor to FCC Chairman Kevin J. Martin**

**Emily Willeford, special assistant FCC Chairman Kevin J. Martin**

**Index**

Tab	Contents
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2.	Interoperability and Relay Provider Choice
3.	Waivers for VRS Speed of Answer
4.	PowerPoint Presentation
5.	Related Information

# Reimbursement and Approval from FCC for Interstate and Intrastate VRS

## **Situation:**

In the March 2000 *Improved TRS Order & FNPRM*, the commission authorized VRS providers to be compensated from the Interstate TRS Fund on an interim basis for all VRS calls (*i.e.*, whether intrastate or interstate).<sup>1</sup> The driving factor behind that funding decision was the desire to promote the growth of VRS usage and technological development. The commission stated that compensation of all VRS calls from the Interstate TRS Fund “is a temporary arrangement” and that “when VRS develops to the point where it can be required, as we expect it will, we intended to revert to the traditional cost recovery mechanism.”<sup>2</sup>

The traditional cost recovery mechanism is the states provide compensation for TRS minutes that are intrastate and the interstate minutes are compensated from the federal TRS Fund administered by NECA.

## **Sorenson Position:**

Reimbursement and Approval from FCC for Interstate and Intrastate VRS should remain at the federal level.

- **Vonage Decision:** The Commission’s recent decision in the Vonage proceeding provides a mechanism for the Commission to address these concerns. The Vonage decision establishes that Internet based phone communication are subject to the Commission’s interstate jurisdiction and is not intrastate in nature. IP based TRS service uses equivalent technologies and should also be subject to the Commission’s interstate jurisdiction and is not intrastate in nature. The FCC has already shown through their Vonage decision that it is within the Commission’s jurisdiction to make the extension of Internet based communication applicable to the Internet based TRS services. Moreover, the specific characteristics identified by the Commission in the Vonage decision as relevant to jurisdictional questions also are present in VRS. Consequently, the Vonage decision mandates interstate treatment for VRS.

The Commission identified several key elements of Vonage’s service that required interstate treatment. These included the use of the Internet to provide service, the difficulty in determining the Vonage customer’s location and the ability to manage the customer’s service via the Internet.<sup>3</sup> All of these elements also are part of Sorenson VRS and other providers’ VRS products.

- **Eliminate Competition:** It is unrealistic to expect that states will certify multiple VRS vendors and, as a consequence, a decision to move VRS to state jurisdiction would eliminate the current healthy competition among VRS providers. This would stifle the

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<sup>1</sup> *Improved TRS Order & FNPRM* at ¶ 22.

<sup>2</sup> *Id.* at ¶ 27.

<sup>3</sup> Vonage Petition for Declaratory Ruling, *Memorandum Opinion and Order*, WC Docket No. 03-211 (rel. Nov. 12, 2004), ¶¶ \_\_\_\_.

growth of VRS and prevent new service providers from entering the field, and would be inconsistent with the Commission's own conclusion that VRS competition is the best way to ensure innovation, low cost and good customer service.

Sorenson would not be conducting VRS service today if the FCC did not have the foresight to realize that new technologies and better service often come from new entrants. If the decision to have VRS funded and regulated on State level were implemented it would effectively prevent Sorenson from being able to provide VRS service and ultimately eliminate options for consumers. Requiring providers to obtain recognition in every state where they offer service would effectively prohibit new vendors like Sorenson from offering service. If this had been the Commission's policy from the beginning, it would have denied the Deaf community access to the first consumer IP videophone, Sorenson's VP-100. The VP-100 is an exceptional communication tool that has dramatically improved deaf-to-hearing communication. The individual state monopoly system that would result if the Commission allows state administration of VRS would be highly unlikely to foster the innovation that will be necessary to develop the next generation of VRS videophones and services and would be in conflict with the mandate of Congress that the Commission not discourage the development of improved technology.<sup>4</sup>

In addition, Sorenson (which is not a wireline or wireless telephone company) has demonstrated that non-telephone companies can successfully offer VRS service. Sorenson's dramatic growth and market acceptance should be an excellent indication that customers are willing to select this service over those of other competing providers.

- **Cannot Identify Calls Originating Point:** Sorenson is unaware of any current mechanism that would permit accurate, automatic allocation of calls made through the Internet to specific states, so cost allocation in a state-focused regime would be extremely difficult. While such a method might be developed in the future, there is no way to make such a determination today without manual intervention by the user.

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<sup>4</sup> 47 U.S.C. § 225(d)(2).

## Interoperability and Relay Provider Choice

### **Situation:**

On February 15, 2005, the California Coalition of Agencies Serving the Deaf and Hard Hearing (CCASDHH) filed a Petition for Declaratory Ruling on Interoperability, requesting that the Federal Communications Commission (Commission) prohibit any VRS provider that receives compensation from the Interstate Telecommunications Relay Service (TRS) Fund from purposely restricting its deaf and hard-of-hearing customers to a single VRS provider via the software or hardware of their VRS equipment or through exclusivity agreements with those customers.

### **Sorenson Position:**

Sorenson supports competition and relay provider choice. By the Commission's own conclusion that VRS competition is the best way to ensure innovation, low cost and good customer service. The concept of forcing a VRS provider to allow other providers to benefit from innovative efforts would deter future development and innovation because the party fronting the costs for the development would not get the opportunity for ample return.

- **Return on Investment:** Sorenson has spent tens of millions of dollars developing an Internet videophone and was the first company to bring that videophone to the consumer market and in particular to the deaf communication market. It has been extremely successful and has changed the method of video communication from inferior Webcams on computers to a more functionally equivalent communication mode where the deaf user can have something that is always on and available to take calls, and superior image quality permitting users to more accurately communicate their message. Other vendors have not spent any money on developing the VP-100 videophone, installing the VP-100, or providing customer support for the phone. It is unrealistic for Sorenson to be forced to allow competitors to benefit from Sorenson's extensive investment. The only way that Sorenson can continue to license the VP-100 videophone is according to terms that are acceptable to the company including that the device not be used to place calls to other VRS providers.
- **Customer Choice:** Sorenson supports competition and relay provider choice. The customer has a choice of using our equipment or other equipment they may have to place VRS calls. If they use the Sorenson VP-100, they can only place VRS calls through Sorenson VRS. Sorenson does not restrict access to the Internet or point-to-point calls. The user can use the Sorenson videophone, other videophones, or Web cameras and all of them can work according to which one is switched on. Deaf consumers can and do have other video communication devices on their network and with the proper network configuration any of these devices can make a video relay call (only one unit should be powered on at a time). The non Sorenson developed devices are able to call any VRS provider.
- **TTY No Choice:** There is a difference in having an endpoint like a videophone that a user can select amongst eight different providers and choose which system they want with all of its strengths and weaknesses versus being dictated to the customer such that the

customer does not have any choice in using a preferred TTY provider. In almost every state, there is only one TTY provider. The consumer has no choice for making intrastate TTY calls except to use the provider that is awarded the contract for their State. The VRS model is in a much stronger position allowing the freedom of choice to the consumer to select which service and equipment they want to use for VRS than a State selected regulatory monopoly where only one provider is offering the service.

- **Provide Equipment for Free:** Sorenson provides, installs, and trains the customer how to use the VP-100 for free. The costs of the equipment are not reimbursed in any way from the Interstate TRS fund. By providing customers with free equipment, Sorenson builds both customer familiarity with the VRS service and customer goodwill that is crucial to its ability to compete with better-funded VRS providers affiliated with traditionally dominant common carriers. As the Commission knows, the greater the number of strong VRS competitors, the faster VRS will become available on the ubiquitous scale Congress intended when it enacted Section 225 of the Communications Act.<sup>5</sup> Sorenson's practice of providing its customers with free VRS calling equipment for use only with Sorenson's VRS is entirely consistent with these principles. All customers receiving a free videophone are made aware of this policy as part of the VP-100 Sorenson VRS Service & Products Agreement. Of course, customers still have the option of using Microsoft NetMeeting or the D-Link videophone to place calls to Sorenson VRS or any other VRS provider. Sorenson supports competition and relay provider choice.
- **Quality of Service:** The strength of the Sorenson VRS offering is in its total Quality of Service experience. This includes developing the VP-100 endpoint, automated VRS call center software, free customer installations and training, and providing the highest quality of VRS interpreters in the industry. To allow users of the VP-100 to place calls to other VRS providers, would prevent Sorenson from providing the Quality of Service that the user would experience with other VRS providers, thus hurting the brand image of the Sorenson VP-100.
- **Point-to-Point Calls:** Sorenson allows users of its VP-100 to make unlimited point-to-point calls to other VP100 videophones as well as to other video endpoints (NetMeeting, Polycom, Tandberg, D-link, other VP-100s, etc.). Informal surveys indicate that the VP-100 users make two-to-three times as many point-to-point calls as they do VRS Calls. These calls are not reimbursed by the FCC nor do they operate under TRS regulations since they are not relay calls.
- **Dialing by Videophone Numbers/IP Address:** Some users have complained that unlike with the VP-100 videophone they cannot use typical phone numbers rather than IP numbers when making point-to-point calls to non-Sorenson video endpoints. Sorenson must have access to specific communication protocols and information within the video device and have the license rights to access that information in order to create the video phone number dialing feature. Sorenson has the information and right to access the VP-100, but not other devices. The long established videoconferencing industry standard is to provide dialing between videoconference equipment/software by IP addresses, not videophone numbers.

To further explain, there are two dialing methods in the VP-100 videophone — dialing by

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<sup>5</sup> 47 U.S.C. § 225, Telecommunications Services for Hearing-Impaired and Speech-Impaired Individuals.

phone number and dialing by IP address. Dialing by phone number is a method that both Sorenson and D-link provide as an option to call videophones that they produce. To its knowledge, Sorenson was the first company to bring the videophone number method of dialing to the deaf community. Because Sorenson recognizes that not all users have a Sorenson VP-100 device, Sorenson also supports dialing by IP address, which represents the actual videophone connection to the Internet. Users can place calls using an IP address dialing method on the Sorenson VP-100 videophone just as they could before Sorenson introduced the VP-100 videophone.

Using IP addresses for videoconferencing has proved problematic because Internet Service Providers (ISP) frequently change the IP addresses assigned to users. Requiring ISPs to statically assign IP addresses to customers could solve this issue. Another solution is for the customer to contact their ISP and request a static IP address or a Domain Name that resolves to the dynamic IP address assigned to them. The use of Domain Name resolution can also be accomplished using free services offered on the internet in conjunction with a computer connected to the same network as the videoconferencing equipment.

- **AOL Example Not Relevant:** In the petition for declaratory ruling on interoperability filed by the California Coalition of Agencies Serving the Deaf and Hard Hearing the example of the AOL buddy lists is not relevant to TRS regulations.
  - Point-to-point communications are not part of TRS regulations.
  - In the AOL case, buddy lists were the only means of being able to contact an individual and both individuals were required to have AOL software to be able to communicate. The VP-100 offers multiple methods of contacting other users including the long established standard of IP addresses.
  - Furthermore, it is not necessary for both parties to have a VP-100 videophone to call each other. Sorenson supports the interoperability standard to place and receive calls by dialing IP addresses with other videoconferencing devices.
- **Hearing Initiated Calls:** Sorenson recognizes that only VP-100 users have entered into the VP-100 Sorenson VRS Service & Products Agreement. Sorenson does not block hearing initiated calls through other VRS providers from dialing the VP-100. Individuals desiring to call any VP-100 user can place the call through any VRS provider by simply providing the IP address (industry standard dialing method for videoconferencing) for the VP-100 user they desire to call.



## Waivers for VRS Speed of Answer

### Situation:

On June 30, 2004, the Federal Communications Commission (Commission) released the 2004 TRS Report & Order, which contained a Further Notice of Proposed Rulemaking (FNPRM) seeking comment on, among other things, a speed of answer requirement for the provision of Video Relay Service (VRS). The speed of answer requirement is currently waived as a mandatory minimum standard for VRS. The commission is seeking additional comment on whether a speed of answer rule should be adopted for VRS.

### Sorenson Position:

Sorenson believes the Commission should not eliminate the speed of answer waiver for VRS because there is no practical way to meet the suggested speed of answer requirements without greatly compromising the quality of VRS.

- **Sorenson Insight:** Sorenson is the largest provider in terms of minutes for VRS and currently employs the largest trained pool of certified interpreters of any VRS provider and is therefore in the best position to assess the availability of qualified interpreters, which is the central issue when considering speed of answer requirements. Simply put, from a functional equivalency point of view a fast answer from a provider of low-quality service is worse than a slower answer from a provider of high-quality service.
- **Fundamental Difference in Labor Pools:** There is a fundamental difference in labor pools between text relay (both IP and TTY) and VRS. Unlike TRS, which requires relatively little training and therefore can draw from a large pool of individuals who can be trained quickly to serve as call assistants, VRS depends on a very limited supply of qualified interpreters due to the years of training required to become qualified as a VRS interpreter. Indeed, the difference is stark – training for TRS is akin to learning to type 60 words and minute with relative accuracy, while training for VRS requires the interpreter to become fluent in a new language.
- **Shortage of Available Interpreters:** In fact, according to a search of the RID membership database<sup>6</sup> performed on February 25, 2005 there are only 5,464 RID certified interpreters in the country, and eight VRS providers compete to hire as many of the certified interpreters as possible, even while there are competing demands for these interpreters' time. It is worth noting that not all of these interpreters are experienced enough to work in a VRS environment. This has led to a significant shortage of interpreters that only would be exacerbated by adopting mandatory answering times. One indication of the depth of the shortage is that some interpreting organizations (including CSD) have asked Sorenson not to hire all of the skilled interpreters in a city so that there will be at least some community interpreters to serve the Deaf. In Phoenix, for example, where a VRS call center opened recently, complaints from Deaf individuals that they cannot obtain interpreters for business meetings, medical appointments and other needs

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<sup>6</sup> See [http://filemaker.rid.org/FMPro?-db=wmembers.fp3&-lay=web&-format=search\\_mbr.htm&-view](http://filemaker.rid.org/FMPro?-db=wmembers.fp3&-lay=web&-format=search_mbr.htm&-view) (with "certified" chosen in the "Membership Category" field).

have skyrocketed.<sup>7</sup> While reducing wait times to promote functional equivalency is an important goal, it also is necessary to weigh that benefit against the negative effects of continuing to deplete the limited pool of qualified interpreters available to meet all other needs.<sup>8</sup> Because many interpreters are part-time and/or continue to work in community interpreting, Sorenson has experienced that it takes four trained interpreters to yield the equivalent of one full-time interpreter. The current pool of interpreters used for VRS services is only addressing approximately 5% of the potential deaf consumer market. The demand for qualified interpreters will continue to grow as more and more deaf consumers use VRS and as future mobile networks become capable for VRS.

- **Lower Quality of Service:** To meet a speed of answer requirement interpreters that previously did not meet the Sorenson standard to provide interpretation would have to be used by Sorenson to meet speed of answer requirements and that quality of service would decline significantly. The decrease in quality (which could, among other things, result in less understandable communications between Deaf and hearing users and longer call times) would both reduce access and make the calls that were completed less functionally equivalent than is the case today. In any event, in the current environment, consumers have several choices, and they can choose the providers that offer the shortest wait times if they think that is more important than other characteristics of VRS. Consumers will choose the option that best meets their needs, and Deaf consumers should be given that opportunity.
- **Impacts on Sorenson Operations:** Given the shortage of interpreters, it is inevitable that providers of VRS would reduce actual access (perhaps by cutting hours of service) if a speed of answer requirement is implemented. Sorenson likely would have to reduce hours of operation and perhaps eliminate certain days of operation when it is unlikely that Sorenson could meet the speed of answer requirement. This net reduction in access would be contrary to the goals of the ADA.
- **Conclusion:** Implementing a speed of answer requirement at this time will immediately cause a substantial increase in VRS providers' costs, create severe shortages of qualified interpreters to meet community interpreting needs, and dramatically reduce the quality of VRS interpreting services as well as a likely reduction in operating hours. It is too soon in the emergence stage of this service to have a speed of answer requirement. For all these reasons, the Commission should extend the waiver currently in place for VRS and reevaluate the feasibility of a speed of answer requirement once the current shortage of qualified interpreters has been alleviated and review the matter in July 2006 when more data is collected to make a more informed decision.

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<sup>7</sup> See Arizona Commission for the Deaf and Hard of Hearing Comments, CC Docket Nos. 90-571 and 98-67, CG Docket No. 03-123, filed Nov. 5, 2004, at page 4; This is not the only complaint of this nature received by the Commission, Informal Comment of David Zeplin, CC Docket No. 98-67, filed Feb. 21, 2005 (expressing frustration at his inability to secure an interpreter for a community college course in Rochester, New York, where a VRS call center has opened).

<sup>8</sup> See Registry of Interpreters for the Deaf Comments, CC Docket No. 98-67, filed Feb. 14, 2005, at page 3 (explaining that there was a growing shortage of qualified interpreters to meet community needs even prior to the availability of VRS).

## **Related Information**

1. FCC Vonage Memorandum Opinion and Order
2. Sorenson Comments on Vonage Memorandum Opinion and Order filed November 15, 2004.
3. Sorenson Interoperability petition comments filed on April 15, 2005.
4. Sorenson ASA comments filed on February 25, 2005.
5. Sorenson comments in response to the Further Notice of Proposed Rulemaking filed October 18, 2004.

**media®**

## **Presentation Contents**

Company Snapshot

VRS Service Description

Regulatory Issues

Future Developments

Conclusion

## Company Snapshot

### 1995

Sorenson Vision established.

VisionLink, a training CD on ASL released.

Sorenson Vision begins to invest 50+ million to create a high quality, low cost, and reliable videophone

### 2001

Partnership with Macromedia - incorporated Sorenson Spark Codec technology in Flash player.

Partnership with Compaq - enabled videomail for US service men & women.

### 2003

Launch of Sorenson VRS.

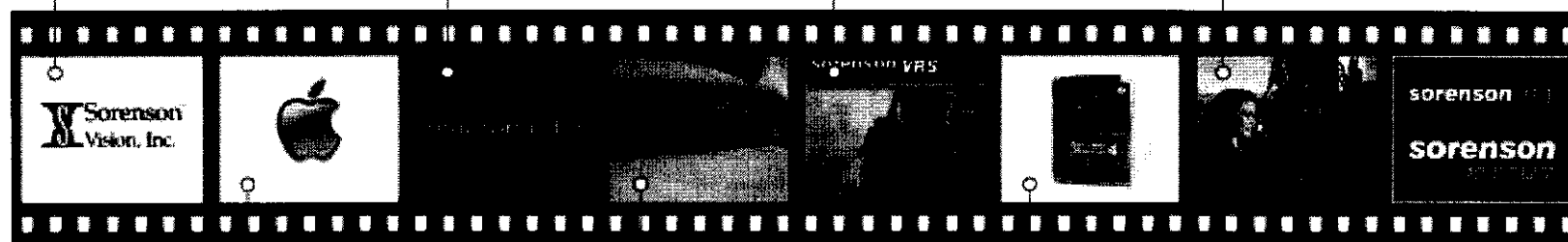
Partnership with Gallaudet University.

Partnership with Avid - created first integrated editing tool with Squeeze.

### 2005

Tens of thousands of video relay calls are placed weekly through Sorenson VRS.

Proliferation of Sorenson VRS Interpreting Centers - opening 2 locations per month.



### 2000

Sorenson Media is formed from Sorenson Vision.

Partnership with Apple - Sorenson Video Codec incorporated into QuickTime player.

### 2002

Sorenson Media restructures to endure harsh economic environment following 9-11 and technology burst

Partnership with D-Link to create VP-100 and i2eye

### 2004

Sorenson Media recognized as a leader in technological advancements with both VRS and Squeeze product lines.

## **Regulatory Issues**

Interstate Funding of VRS

Interoperability and Relay Provider Choice

Speed of Answer

## **Interstate Funding of VRS**

Apply Vonage decision to VRS (meets same criteria)

- Use of the Internet to provide service
- The difficulty of identifying the customer's location
- The ability to manage the customer's service via the Internet

Support healthy competition by centralizing oversight with FCC versus 50+ state regulatory bodies to ensure:

- Innovation
- Low cost
- Good customer service

Note: Current IP addresses do not enable geo tracking

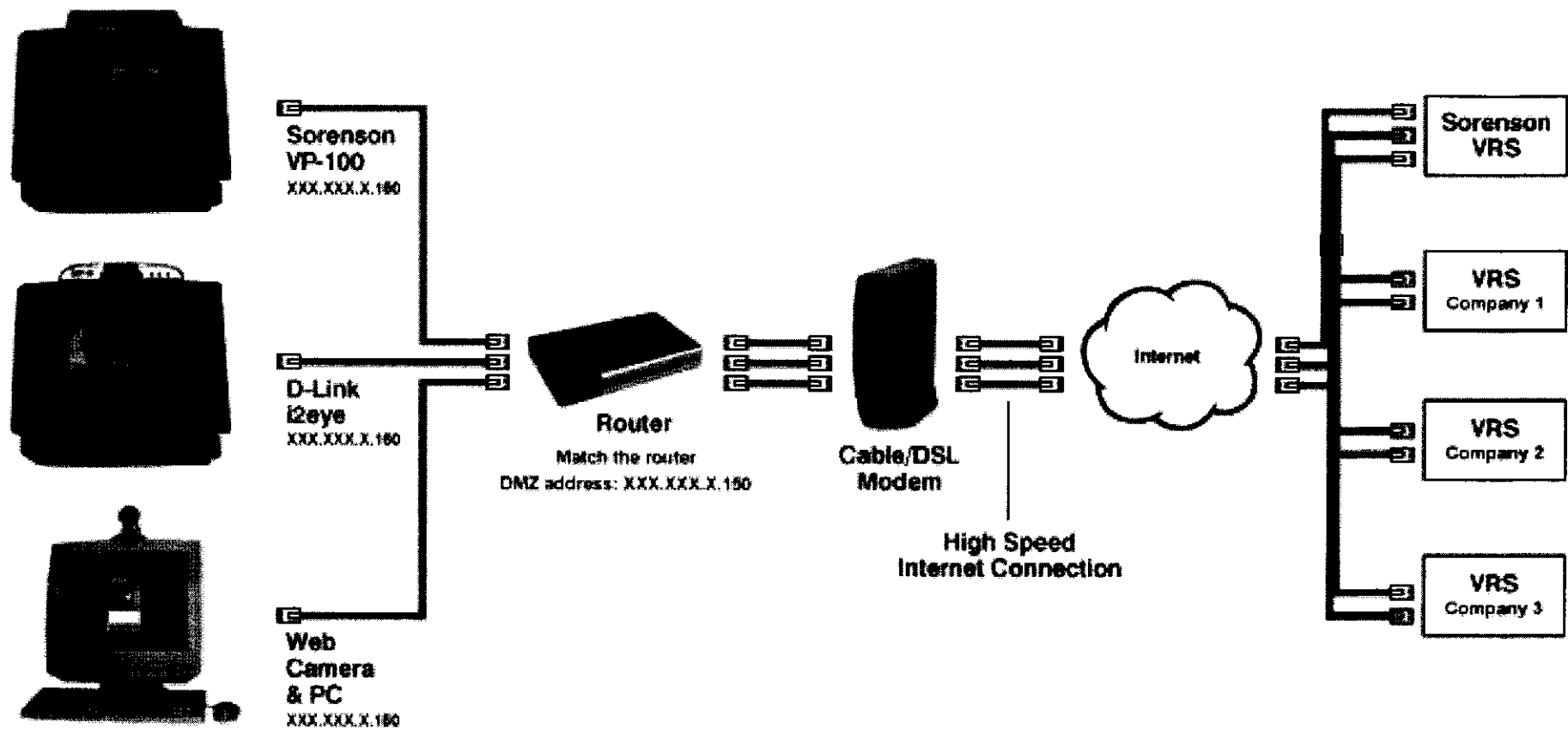


## Interoperability and Relay Provider Choice

- Customers are free to choose among 9 VRS providers (unlike TTY)
- TRS regulations do not require consumer equipment interoperability
- Should recognize and encourage private investment and free enterprise to innovate or improve technology and service
- Sorenson VP-100 users would be denied custom designed functionality (e.g. number pass through, videophone numbers, support services, future technology updates)
- Sorenson VP-100 users agree to exclusively use Sorenson VRS however, they can use other devices to place calls to other VRS providers.  
Customers can choose providers
- By using Sorenson VP-100 in combo with Sorenson VRS Deaf users benefit from custom applications and new technology
- Hearing users can reach a Sorenson VP-100 user from any VRS provider.  
Customers can choose providers

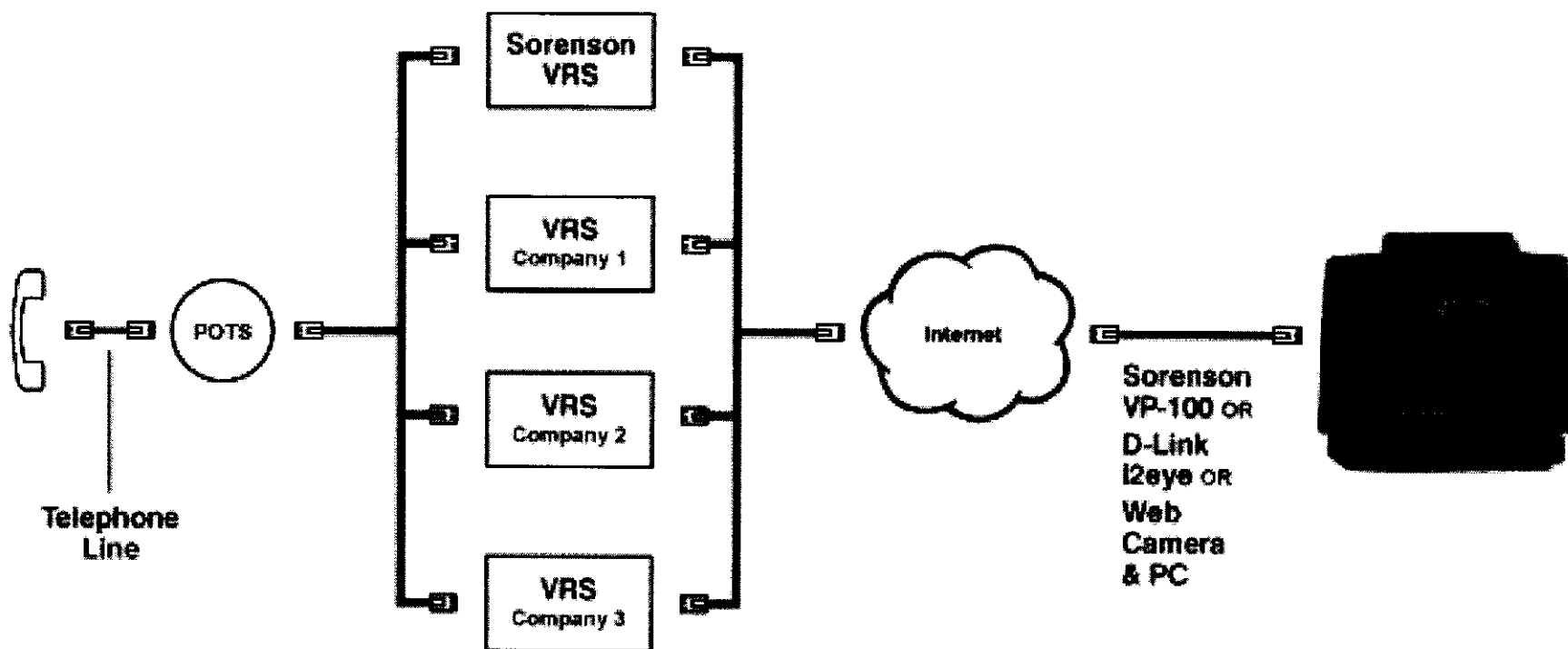
# Interoperability and Relay Provider Choice

Call from Various VRS Solutions (Deaf User)



## Interoperability and Relay Provider Choice

Call from Telephone (Hearing User)



## **Speed of Answer (ASA)**

We would like the waivers extended until 2008

- Sorenson VRS demand continues to outpace competitors
- Qualified Interpreter supply is limited
- Service and user lifecycles still immature and efficiency is not optimal
- ASL educational programs will take several years to generate adequate supply
- Second wave of demand expected from mobile users will cause additional disruption

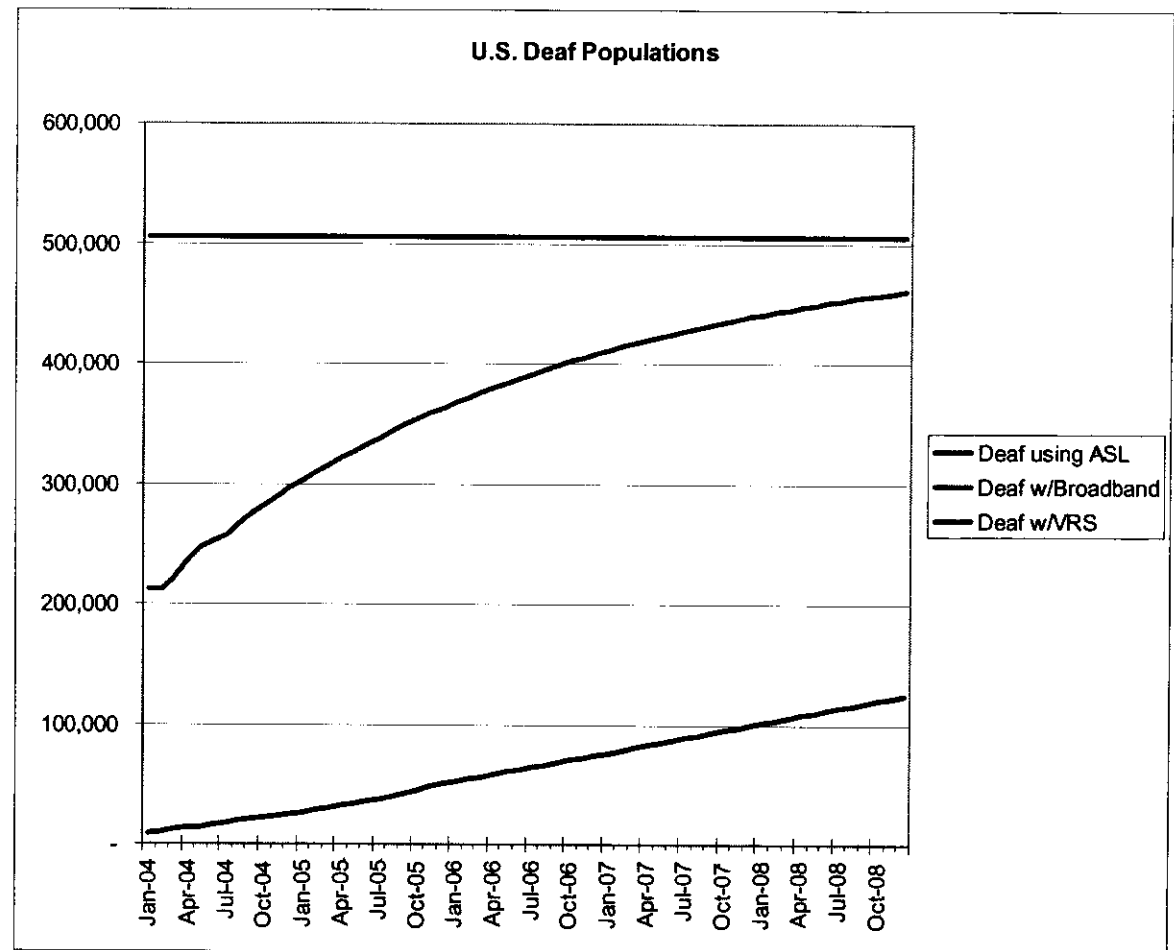
## Seeking Waiver for VRS ASA

**Deaf population with broadband access far outstrips the forecast for deaf with VRS services.**

**VRS services penetration constrained solely by interpreter availability.**

Sources:

Project Hope: Prevalence of Hearing Impaired  
Nielson Netratings: Broadband Penetration  
NECA historical VRS growth projected forward

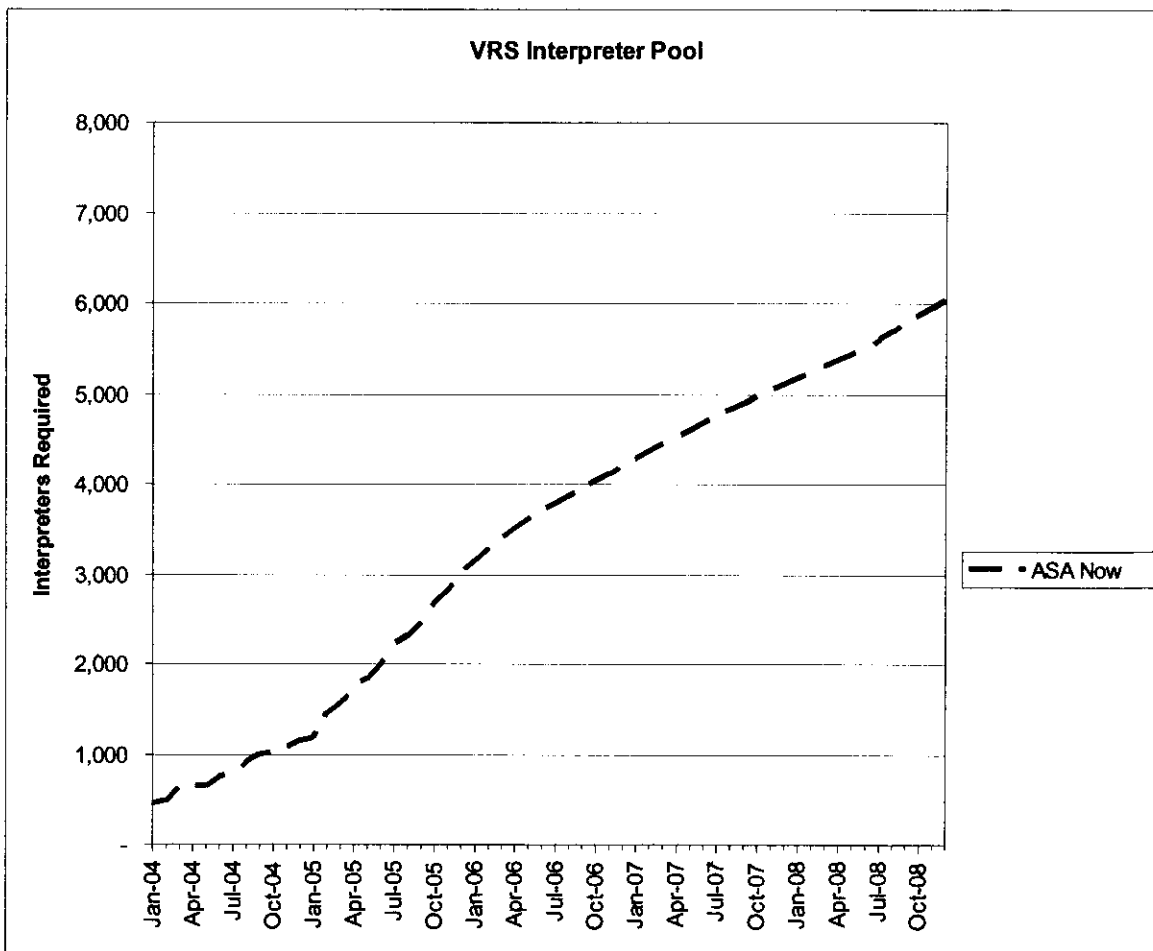


## Interpreters Required for Immediate ASA

**If strict ASA is imposed now, 3000 VRS interpreters will be necessary (industry wide) by January 2006.**

***Still servicing only 20% of deaf population by 2008***

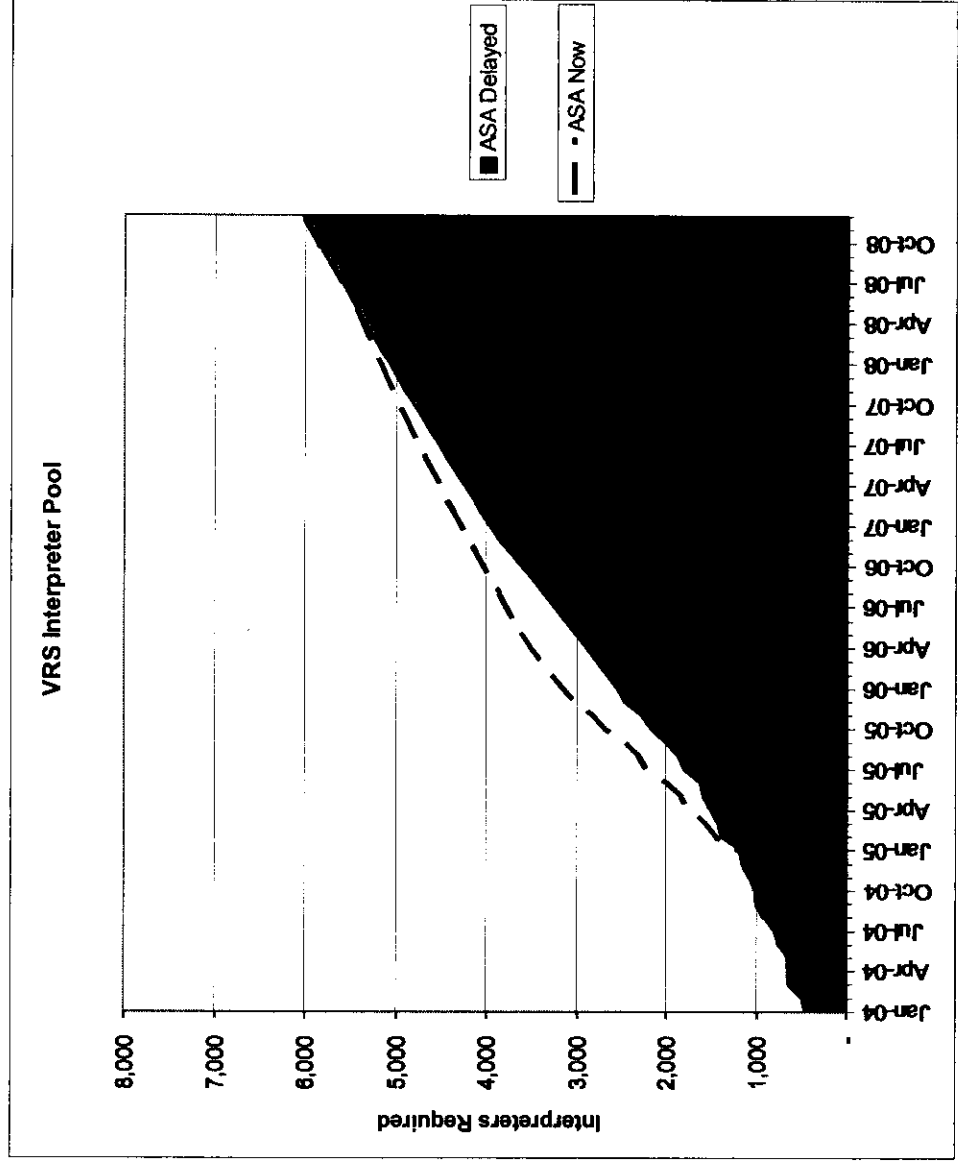
Sources:  
Extrapolation of Sorenson's current operational data.



## Interpreters Required for Delayed ASA

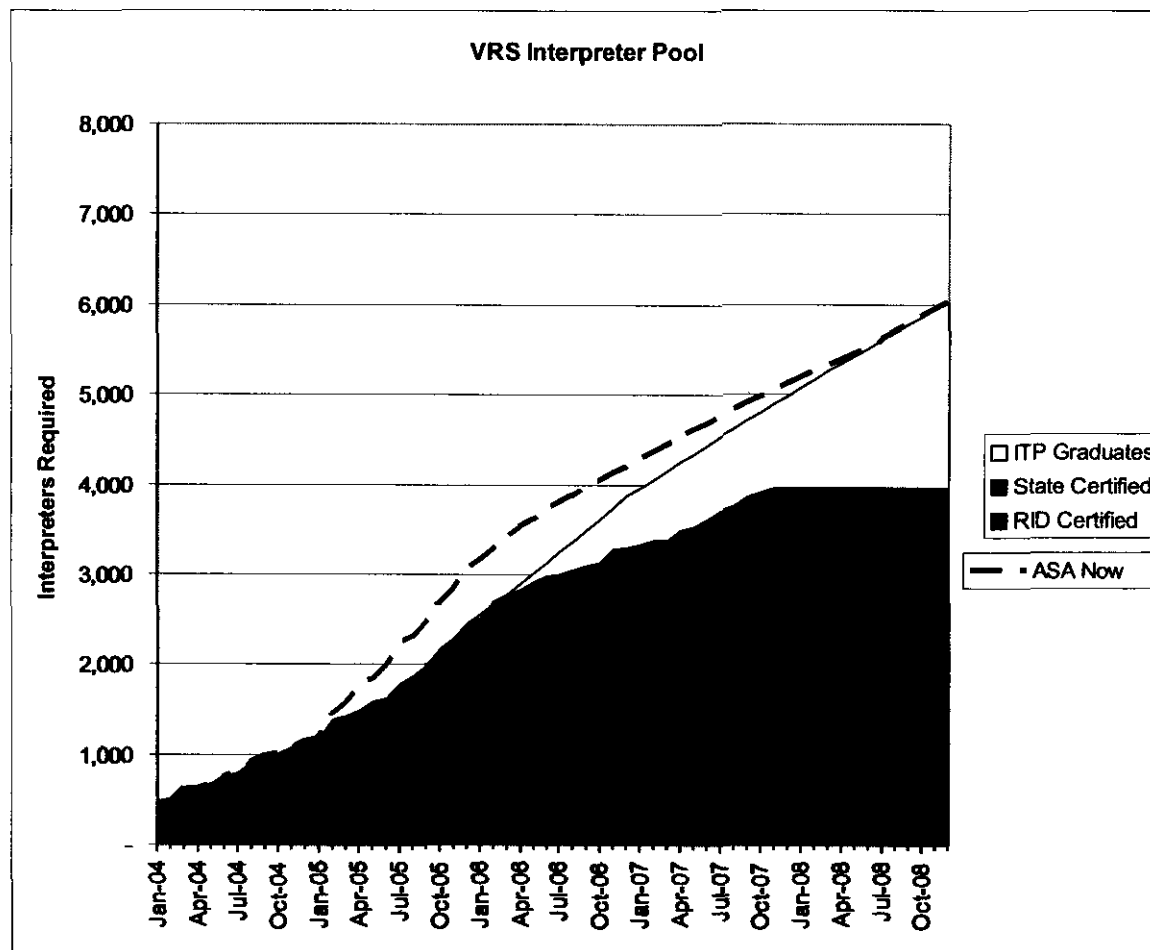
**If ASA is delayed, 600 fewer interpreters will be necessary in January 2006.**

***Still servicing only 20% of deaf population by 2008***



## Where the Interpreters Come From

- Delayed ASA is critical because the VRS available pool of RID certified interpreters (about 45% of total RID) reaches saturation near end of 2005.
- Converting state certified to RID certified takes time.
- Training new graduates takes even longer.
- Industry will uncover greater efficiencies with time.
- *Still servicing only 20% of deaf population by 2008*



Sources: RID web site; Sorenson survey of state interpreter administrators; Sorenson historical growth capacity; Sorenson survey of ITP programs



## U.S. Phone Usage: Switched vs. Wireless

**Switched phone minutes are decreasing.**

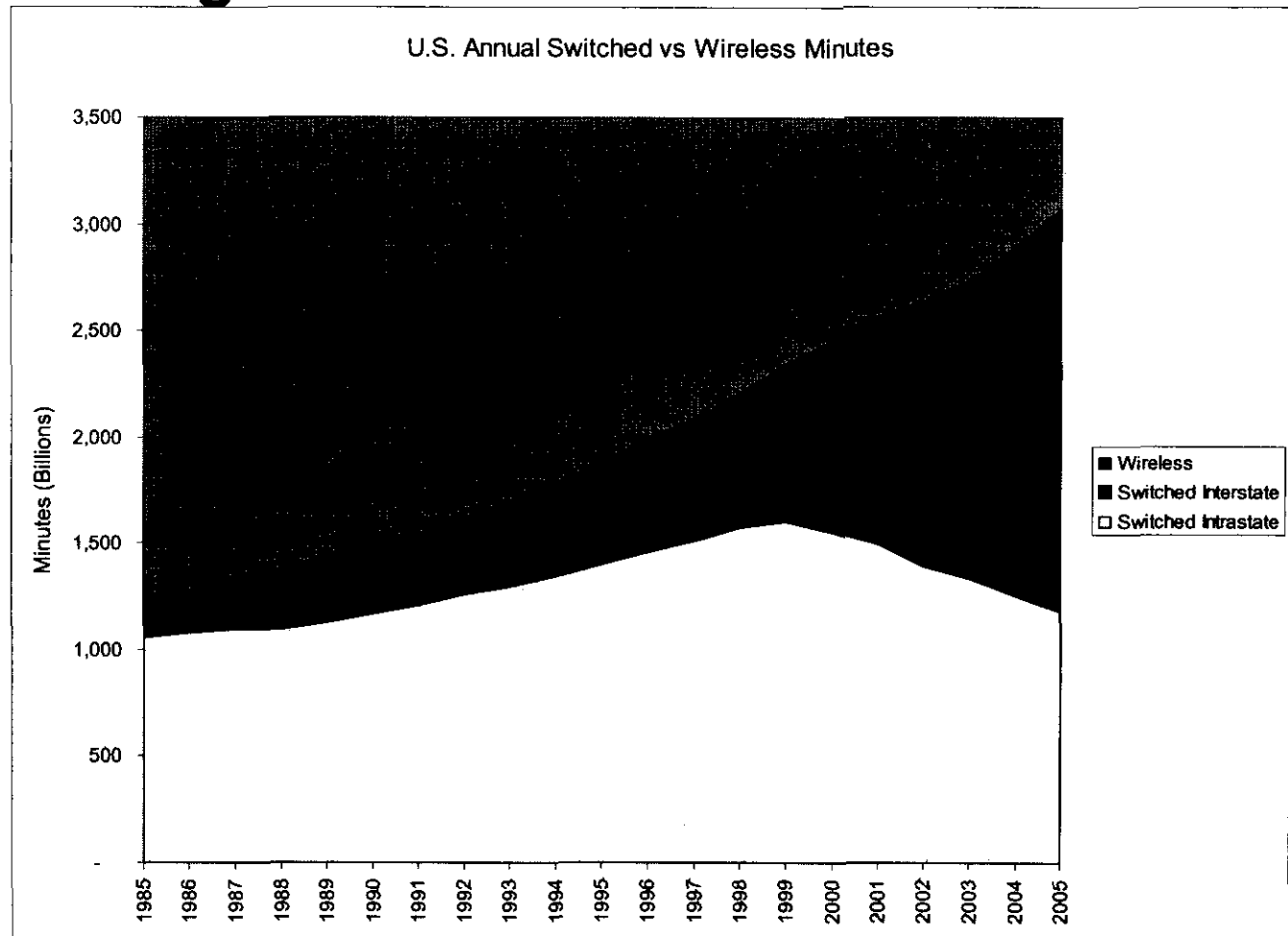
**Wireless minutes are significantly increasing.**

**Overall growth trend of total conversation minutes (Switched and Wireless) continues to increase.**

**Minute growth will follow a similar explosive growth path for VRS causing further acute shortages for qualified ASL interpreters.**

Sources:  
FCC 2004 Trends in Telephone Service Report

IT Facts Mobile Usage Reports:



## Future Developments

Sorenson Media continues to invest in technology to innovate and advance the communication needs of deaf and hard-of-hearing consumers in the following areas:

- Sorenson VP-200 videophone
- Sorenson VRS 911
- Sorenson VRI
- Sorenson IP Relay

## Conclusion

“Tell our friends that we have a proposition on foot to connect the deaf and hard-of-hearing for the purpose of personal communication, and in other ways to organize a grand video relay service system.”

- Jim Sorenson modified from a quote by Theodore Vail

**media**